

HOUSING PROBLEMS
IN AMERICA

How to get Cheap Houses

by G. Frank Beer

President, Toronto Housing Company

2013

PROCEEDINGS
OF THE
THIRD NATIONAL CONFERENCE
ON HOUSING

CINCINNATI
DECEMBER 3, 4, AND 5, 1913

HOW TO GET CHEAP HOUSES

G. FRANK BEER

President, Toronto Housing Co., Toronto, Ont.

At the beginning I desire to acknowledge the help afforded the Toronto Housing Company by the obliging and efficient officers of the National Housing Association. I desire also to acknowledge the inspiration derived from other workers, especially from the notable work accomplished by our highly respected members, Dr. G. M. Kober, Gen. George M. Sternberg, Mr. Grange Sard and Mr. J. G. Schmidlapp.

Some of the elements entering into the construction of cheap houses are (1) cheap money — and an ample supply of it, (2) cheap land, (3) cheap building material, and (4) cheap labor.

I put these in the order of their importance. As I do not believe in cheap labor I probably should not have included this at all. Labor to-day is not overpaid except in cases where it is inefficient, so that all we should do to economize in this regard is to see to it that we get proper workmanship.

The question of building material will be dealt with by others in the discussion to follow. We can hardly hope to see a reduction in the price of lumber; indeed, a continued increase in cost is not improbable. We must therefore look to our brick and concrete manufacturers for any relief in the cost of building material. In England, concrete construction is securing much attention. Messrs. Rowntree at York, for instance, have built houses containing a large living-room, a scullery and three bedrooms, at a cost of

£90 each. In America, too, at Nanticoke and elsewhere, houses are being constructed at a very low cost, and the rapidly developing use of concrete deserves special attention.

LAND

The cost of land is such an important and increasing item of cost that no effort is too great to make more of it available for housing purposes. Rapid and cheap transportation is unquestionably the goal to be aimed at as the most hopeful means to this end. Much land at present used for farming purposes could be secured at a cost not exceeding \$400 an acre. After making large provision for open spaces the cost of each building lot need not exceed \$50. At present the cost of land in Toronto approximates \$750 for each dwelling. This entails a very heavy charge upon the tenant. It is fair to assume that rentals would be lessened by from \$3 to \$5 a month were cheap land made reasonably accessible.

Having once secured cheap land, the problem then becomes how to retain it at a reasonable price. Without going into a lengthy discussion, I desire to state my conviction that our system of taxation should be reformed and land should bear a considerably heavier tax rate than that placed upon improvements. Further, it is inconceivable that educated communities will forever allow values created almost exclusively by communal activity to be appropriated by land owners who may have done nothing whatever to create such values. I am not advocating the single tax, but surely some amendments to our present tax system are greatly needed, and I know of no other course by which having once obtained cheap land, we may reasonably hope to retain it at a usable valuation for housing purposes.

It is also my conviction that brick or concrete dwellings of moderate size, of desirable type, and with satisfactory sanitary conveniences, costing not more than \$1250, should be entirely exempt from taxation until such time at least

as we are provided with ample accommodation of this character to house our wage-earners. Some encouragement must be given if we are to secure an adequate supply. No one means will be found sufficient, but by all combined it may be reasonably hoped that we shall do something substantial toward meeting the existing great need.

FINANCE

We now come to the question of *cheap money* and an ample supply of it. Believing the proper housing of our people to be a communal and not an individual responsibility, representatives of the Toronto Housing Company approached the Government of Ontario with a request for assistance. We claimed that private initiative had failed to provide an adequate supply of cheap houses for working people, and, this being the case, it was the duty of the Government as representing all of the people to assist in supplying such a vital need. The Minister with whom we had to deal is a man of large vision and great constructive ability—I refer to the Honorable W. J. Hanna. After careful consideration of the whole subject and with our co-operation, a bill was framed through which the public spirited citizen of any municipality in Ontario may command the financial assistance required to supply necessary housing accommodation. In this connection it is necessary to state that we, in Canada, have no loan and savings banks, such as enable housing operations to be so successfully financed in the United States.

In framing this Act it was borne in mind that many persons, though willing to assist pecuniarily in furthering housing enterprises, were not able to do so, others though able, were indifferent or not willing. It was therefore necessary to devise a plan whereby all so disposed might be appealed to for assistance without too much pecuniary sacrifice being called for, and whereby also the municipality might take its proper share of the responsibility involved.

In a young country such as Canada, industrial development and trade expansion call for our entire financial resources. Without the co-operation of the municipalities, which are suffering from overcrowding and similar evils, no really effective building development is possible. You will see by the bill that we do not destroy private initiative, or deaden public spirit, but supply these with machinery to make their good will effective.

I will not give you all the provisions of the bill, but will simply state that the basic idea is that cities and towns are given the power to guarantee securities of housing companies, which may be incorporated in accordance with the provisions of this act. These securities must not exceed 85 per cent of the total value of the development. The proportion of securities guaranteed to the total capital employed, is left to the discretion of the city or town council. Full particulars of this act will be given to any one applying to our secretary, Mr. Armstrong.

The bill received the support of the leader of the opposition, Mr. Rowell, K. C., and was enacted by the unanimous vote of the Ontario Legislature.

The principles embodied in this act are:

(1) Where private initiative fails to provide an adequate supply of a pressing necessity the government should and will lend its assistance to supply the need.

(2) The principle of encouraging the voluntary co-operation of citizens with the government in the solution of social problems.

(3) The desirability of leaving the administration of such enterprises in the hands of specially constituted bodies.

(4) In undertakings which by their nature create a value which is the direct result of government co-operation, such value, after providing for the repayment with interest of the private capital employed shall belong to and be employed for the benefit of those co-operating.

You will see by this that I am a firm believer in co-operation. In the case of our Housing Company, the

co-operators, outside of those supplying the capital, are the city, through its guarantee of the bonds, and the occupants of our houses.

I will not weary you with the details of the work entered upon by the Toronto Housing Company, further than to state that we are now spending our first million dollars, which we hope may house comfortably over six hundred families. Our work is conducted upon a strictly business basis. Rentals are based upon 6 per cent dividends to shareholders. We supply heat and domestic hot water.

As before stated, the work is being carried on by (1) private initiative, (2) government encouragement, and (3) public co-operation. I hope you will agree with me that this is a sound basis of co-operation. It is unquestionably true that it develops public spirit and inspires public service.

Other elements that enter into the final cost of buildings are:

Durability. In all construction it should be borne in mind that we are building for forty or fifty years' occupancy. The ordinary jerry-built house deteriorates so rapidly that within ten or fifteen years it has lost its respectability and provides no longer a type of housing with which we would wish to be associated.

Attractiveness. To build so that our houses will never lack tenants is to exercise true economy. During the coming years we hope to see a marked improvement in housing conditions. Let us build so that our houses will still be attractive after twenty years' occupancy and in keeping with the progress we hope to see realized within that period.

Town Planning. We may reasonably hope for large economies from the general adoption of good town planning. The æsthetic value of such planning has been over emphasized, while the economic gains, present and future, are not yet half appreciated. We earnestly wish for town planners the success their efforts merit. No new districts should be developed without their advice being had.

Industrial Suburbs. To bring the factories of our large industrial enterprises into a proper relation with the homes of their employees is another method of reducing cost. Suburban industrial developments are to be most highly commended. Not only do they mean a saving in cost of land for all concerned, but they mean more attractive houses for the workers, a saving of fifty cents a week in car fare, and, most valuable of all, an hour or possibly even two hours each day added to the time which may be spent at home. Gardening and other healthful recreations are made possible. All of this has money, social and moral value.

Housing By-Laws. The restrictions of housing by-laws are adding materially to building costs to-day. A note of warning is not altogether unnecessary. If we by regulation increase unnecessarily the cost of new and desirable houses by just so much do we increase the rental value of existing less desirable houses.

So, too, with the proportion of vacant land to ground floor space. A house to most dwellers in the city is primarily a shelter, and its livableness depends upon air and sunshine and sanitary conditions rather than upon the size of the rear yard. If the yard is ill kept and surrounded by apartment houses it may contribute little of value to the dwelling. In our Toronto developments we have provided small yards only — simply a place to dry clothes, etc. The ends of the yards have been "moved" to the fronts of the houses and by a combination of these fragmentary yards we provide grass courts in front of the houses where the children find a real playground for their mutual enjoyment. As the living-rooms of the houses, each with its little veranda, face this court, the mothers are able to keep an eye on the children without being called away from their housework. In developments of this type the Toronto Housing Company has four grass courts (three 80×160 , and one 60×140).

In Toronto many of the lots are not laid out economically, being narrow and deep, the space between the rears of

houses being over 160 feet. In one case we bought over 300 feet frontage on each side of a city block. The lots are 125 feet deep and the rears adjoin without a lane between. We are building almost solidly upon the street frontage and reserving two inner grass courts each 90×100 . One of these will be used in common by our tenants as a bowling green, the other as a safe playground for the small children where they may play unmolested by motor cars. This will not reduce the cost of the houses, but it will be the means of giving more for the money, a result equally to be desired.

Superintendence. Whether the cost of building will be lessened by employing a superintendent of works and competent foreman and laborers is a question upon which information is desired. That the houses would be better built is possible; I am not sure that the cost would be lessened. Up to the present our own development has been by contracting. As we are still in the initial stages of our building, we may be able to give comparative results at a later conference. Meanwhile, we are anxious to receive information derived from actual experience under both plans of operation.

Re-Housing. The economic and social effect of a municipality acquiring run-down or unsanitary properties and building for those actually dispossessed is well illustrated by the work done at Liverpool. The chairman of the Liverpool Corporation Housing Committee says: "Liverpool realized that it was a question of poverty and that the best solution was to build for the identical people turned out at the spot where they were turned out and at rents which they could pay." Up to the end of 1912 the city has spent £1,135,000. The cost of this policy to the ratepayers is £22,700 per annum. £9000 of this amount represents the sinking fund by which the property is paid for and which property will become a most valuable corporation estate in years to come. The death rate in the districts affected has fallen from 50 per thousand to 27 per thousand. As

showing the further value to the community as a whole it should also be added that offences of persons residing in the neighborhoods so improved, that convictions which in 1894 amounted to 202, fell in 1912 to 4.

The subject of how to get cheap houses is one that will confront us for many years. It is a permanent problem. If it will be thought desirable to make this a feature of future meetings, I would respectfully suggest that the question be sub-divided into sections each to be dealt with in brief papers. In this way a valuable body of concise information based upon actual experience will be made available in a permanent form for all our members.

Some of the sections into which the subject would naturally fall are:

(1) Ground Plans. Maximum desirable use of land. Economical planning of subdivision. Relative saving in blocks of different housing units. Garden allotments, grass courts and squares. Garden suburbs.

(2) Indoor Plans. Large living-room and small kitchen, vs. large kitchen and small parlor. Cost and desirability of basement. Size and location of bath, closet and laundry tub.

(3) Materials. Durability and up-keep of stucco. Concrete vs. bricks for basements. Tiles for partitions, walls, etc.

(4) Construction Details. Economic size in lumber. Standardization of doors and windows. Effect of joists left exposed without ceiling. Roofs: flat vs. gable; shingles vs. slate, tiles or asphalt board.

(5) Finishing Details. Paint vs. stain; hard plaster vs. sand and lime plaster; wall paper vs. kalsomine or other similar finish. Desirable forms of trim, door and window frames and stairways. Mantels.

(6) Fittings. Minimum larder, dresser and clothes closet equipment. Locks on all doors vs. locks on outside doors with bolts and latches for other doors.

(7) Heating. Central heating plants, hot air, hot water, steam, kitchen ranges, fireplaces.

(8) Ventilation. Refrigeration.

(9) Management. Building by contract vs. purchasing material and engaging superintendent of works. Basis of rentals. Provision for up-keep, whether by tenant or owner. Method of rent collection.

(10) Method of Finance. Copartnership. Government co-operation. Municipal guarantee. Private shareholders. Plans for purchase by installment. Plans and photographs of new buildings showing ground arrangement, with actual costs where possible of masonry, carpentry, plumbing, heating, etc. Management of houses after occupancy.

Some of these details may appear to be unimportant, but unnecessary expense is doubtless incurred owing to lack of information upon them. No doubt, too, some would be encouraged to build small houses if practical and ample information were easily obtainable.

In conclusion may I be permitted to add a few words upon the general subject of housing.

A clear view of our aim must precede any permanently valuable plan of operation. It is the reform of existing conditions we seek, a solution not a palliation, of the housing problem. To build houses for those who need them is good, to make it possible for people to own their own houses is better. Let us not lose sight of the real object of our effort, whether we are engaged in securing legislative reforms, assisting in the enforcement of sanitary laws or occupied in the construction of cheap houses.

The more we are compelled to seek cheapness in order to supply houses at a rental the tenants can afford, the more we should seek the cause lying hidden behind the existing need. The demand for cheapness below a certain level must mean that something is wrong with our social or industrial machinery. If we build down to a level which is not in itself desirable and productive of lasting advantage, we will not be using our energy wisely. To build below a level upon which our people should live may mean the establishing or perpetuating of a wrong social condition

and doing little to supply a remedy. It is the remedy we seek. This at least is sure, that for every dollar spent in housing of a type not permanently desirable, two dollars should be spent by the city, state or national government or by all combined in seeking, finding and remedying the causes that render such lower level of living necessary.

Housing is a communal responsibility. Water, sewage and other public services are not more necessary to our citizens than are decent houses to live in. If individual initiative fails to supply these it is the duty of the city or state to step in and supply the need. Our civic well-being, to say nothing of our national existence, is directly involved. I do not believe in building down to a level of which we should be ashamed as a people. Let us build on a plane which we hope may become the minimum at a near future. Let us leave to the charitable, to philanthropists and to social reformers the task of accelerating that future. If we do this we shall at least know that we have done nothing to postpone a greater degree of social justice and nothing to blind the state from a clearer view of its responsibility toward a large number of its citizens.

(For the discussion of this paper, see page 118.)